

“(B) DETERMINATION OF FAIR MARKET VALUE.—For purposes of this section, in the case of a charitable contribution of food which is a qualified contribution (within the meaning of paragraph (3), as modified by subparagraph (A) of this paragraph) and which, solely by reason of internal standards of the taxpayer, lack of market, or similar circumstances, cannot or will not be sold, the fair market value of such contribution shall be determined—

“(i) without regard to such internal standards, such lack of market, or such circumstances, and

“(ii) if applicable, by taking into account the price at which the same or similar food items are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past).”

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1999.

REPETITIVE FLOOD LOSS REDUCTION ACT OF 1999

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 1999

Mr. BENTSEN. Mr. Speaker, I rise today to introduce the Repetitive Flood Loss Reduction Act of 1999. Mr. Speaker, every year in the United States many of our constituents suffer the devastating loss of their home from rampaging flood waters. I am introducing the Repetitive Flood Loss Reduction Act to correct a serious flaw in the National Flood Insurance Program (NFIP) by improving pre-disaster mitigation and facilitating voluntary buyouts of repetitively flooded properties. Specifically, my legislation will:

Provide \$90 million to the Director of the Federal Emergency management Agency (FEMA) to purchase homes insured by the NFIP that have flooded at least three times and have received cumulative flood insurance payments of at least 125 percent of the value of the structure.

Provide \$10 million in grants to states to seek non-structural alternatives to protect flood-prone communities.

Create new incentives for home owners to comply with post-FIRM building standards. If a buyout offer is refused by the NFIP policy holder, their yearly premium will automatically increase by 150 percent and their deductible will rise by \$5,000. For every future flood incident when the structure is substantially damaged the premium and deductible will rise again by the aforementioned amount.

Grant more discretion to local flood officials to determine how best to use this program. State or local flood plain administrators will provide the Director with a list of priority structures that should be targeted for participation in the buyout program.

I am hopeful that these steps will lead to a more effective pre-disaster mitigation and buyout program that will both reduce costs to taxpayers and better protect residents of flood-prone areas. I have drafted this legislation in consultation with the Federal Emergency Management Agency and the Harris County, Texas, Flood Control District, one of the Na-

tion's most experienced and innovative flood control districts. However, I want to emphasize that I consider this legislation to be a starting point to begin the debate, and I look forward to input from my colleagues, my constituents, and other interested parties.

Some ideas in this bill will be considered controversial and may need to be changed. By introducing this bill, I am not endorsing each provision, but rather, the idea that some action needs to be taken to reform the National Flood Insurance Program. In fact, it is my hope that the public will review the contents of the bill and make their specific support and objections known, so we can develop consensus legislation.

The need for this legislation was underscored by a report sponsored by the National Wildlife Federation, that the National Flood Insurance Program has made flood insurance payments exceeding the values of the properties involved to thousands of repetitively flooded properties around the Nation. This report, entitled Higher Ground, found that from 1978 to 1995, 5,629 repetitively flooded homes had received \$416 million in payments, far in excess of their market value of \$307 million. My state of Texas led the Nation in volume of such payments, with more than \$144 million, or \$44 million more than the market value, paid to 1,305 repetitively flooded homes. The Houston/Harris County area, which I represent, had 132 of the 200 properties that generated the largest flood insurance payments beyond their actual value.

This included one property in South Houston that received a total of \$929,680 in flood insurance payments from 17 flooding incidents, and another property near the San Jacinto river that received \$806,591 for 16 flooding incidents, about 7 times the actual value of the home.

Other areas around the country have also had the same incidents occur. Altogether, according to the National Wildlife Federation report, although repetitive flood loss properties represent only 2 percent of all properties insured by the National Flood Insurance Program, they claim 40 percent of all NFIP payments during the period studied.

Since its creation in 1968, the NFIP has filled an essential need in offering low-cost flood insurance to homeowners who live inside 100-year flood plains. The program has helped to limit the exposure of taxpayers to disaster costs associated with flooding. However, the recent report clearly points out the need to improve the NFIP to address the problem of repetitive loss property.

Furthermore continued losses to the NFIP has increased the call by some of my colleagues to increase premiums and reduce the Federal subsidy for all Federal homeowners in the flood plain, not those who suffer from repetitive flooding loss, in order to reduce Federal budget outlays.

Without long-term comprehensive reform of the NFIP, I am concerned that in the future, Congress may follow through with proposals to double or triple flood insurance premiums for all flood-prone homeowners, as was proposed in 1995 and 1996. Many of us, myself included, fought vigorously to oppose these increases, but our victory will be short-lived if we do not make changes in the program.

These repetitive loss properties represent an enormous cost for taxpayers. They are also a tremendous burden to residents whose lives are disrupted every time there is a flood. In many cases, these residents want to move but cannot afford to do so. By repeatedly compensating them for flood damage, current Federal law makes it easier for them to continue living where they are, rather than moving to higher ground.

TRIBUTE TO OSCAR FENDLER

HON. MARION BERRY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 1999

Mr. BERRY. Mr. Speaker, I rise today to pay tribute to a man from the 1st Congressional District of Arkansas who will celebrate his 90th birthday in Blytheville, Arkansas this weekend. Mr. Fendler is one of Arkansas' foremost lawyers and has practiced law since 1933 in Blytheville except for four years from 1941–45 when he was on active duty with the U.S. Navy.

Born in Blytheville and raised in Manila, Mr. Fendler has received many honors during his 65 years of law practice. He is the former president of the Arkansas Bar Association and a fellow in the American College of Trust and Estate Council; a fellow of the American Bar Foundation; chairman of the Section of General Practice of the American Bar Association; a member of the House of Delegates of the American Bar Association, the ABA's governing body; and a member of the American Judicature Society, among other honors.

Mr. Fendler also had an interest in journalism. He is the former chief editorial writer for the Arkansas Traveler, the student newspaper at the University of Arkansas and while attending Harvard Law, he free-lanced as a reporter for the St. Louis Post Dispatch.

Oscar Fendler has been a leader and advocate for Mississippi County and Northeast Arkansas for his entire life. He is a living history of that area. Mr. Fendler has been a strong voice in Arkansas law and I wish him the best on his 90th birthday and congratulate him on his 65 years of service in our state.

SALUTE TO THE HIGHLAND PARK MEN'S BASKETBALL TEAM

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 1999

Mr. VENTO. Mr. Speaker, I would like to offer my sincere congratulations to one of the outstanding high school basketball teams in Minnesota's Fourth Congressional district who have met the challenges of athletic competition, St. Paul's Highland Park Men's Basketball Team has claimed the high school championship title in Class AAA Division.

Much praise and honor is to be extended to these young men and their coaches for their hard work and success. This team has surmounted obstacles that many thought would